of its total adjusted patient days, and its total charity care days weighted by 4.5 plus total Medicaid days weighted by 1 is equal to or greater than 10 percent of total adjusted patient days, or if all the requirements in Section B.1. a-h are satisfied.

3. Additionally, the Act specifies that in order for the hospital to qualify for reimbursement, the hospital must have at least two obstetricians or physicians with staff privileges at the hospital who have agreed to provide obstetric services to individuals entitled to such services under the State Medicaid Plan. This does not apply to hospitals where:

   a. The inpatients are predominantly individuals under 18 years of age, or

   b. Non-emergency obstetric services were not offered as of December 21, 1987.

4. a. The hospital Medicaid inpatient utilization rate in 1.a. above shall be calculated once a year based on cost reports used for the July 1 rate setting.

   b. The low-income utilization rate in 1.b. above shall also be calculated once a year every July 1.

5. Payments earned from having a disproportionate share hospital status shall be in addition to each hospital's base Medicaid per diem rate and shall be capped at 170 percent of their total cost per diem rate. All hospitals that qualify for disproportionate share status shall receive a minimum payment, as calculated based on the formula described in Section VI.A.

6. Effective July 1, 2002, the Agency shall use the following methodology to distribute payments under the Regular DSH program for state fiscal year 2002-2003.

The Agency shall only distribute regular DSH payments to those hospitals that meet the requirements of Section VI.A. 1., above, and to public hospitals. Public hospitals are defined as those hospitals identified as government owned and operated in the Financial Hospital Uniform Reporting System (FHURS) data available to the Agency as of January 1, 2002. The following methodology shall be used to distribute disproportionate share payments to hospitals that meet the federal minimum requirements and to public hospitals.

a. For hospitals that meet the requirements of Section VI.A.1., above, and do not qualify as a public hospital, the following formula shall be used:

DSHP = (HMD/TSMD) * $1 million

Where:

DSHP = disproportionate share hospital payment

HMD = hospital Medicaid days

TSMD = total state Medicaid days

b. The following formulas shall be used to pay disproportionate share dollars to public hospitals:

For state mental health hospitals:

DSHP = (HMD/TMDMH) * TAAMH

The total amount available for the state mental health hospitals

shall be the difference between the federal cap for Institutions for Mental Diseases and the amounts paid under the mental health disproportionate share program in Section VI.D.

For non-state government owned or operated hospitals with 3,200 or more Medicaid days:

DSHP = [(.82 * HCCD/TCCD) + (.18 * HMD/TMD)] * TAAPH

TAAPH = TAA – TAAMH

For non-state government owned or operated hospitals with less than 3,200 Medicaid days, a total of $400,000 shall be distributed equally among these hospitals.

Where:

TAA = total available appropriation (as found in Appendix B)

TAAPH = total amount available for public hospitals

TAAMH = total amount available for mental health hospitals

DSHP = disproportionate share hospital payments

HMD = hospital Medicaid days

TMDMH = total state Medicaid days for mental health hospitals

TMD = total state Medicaid days for public non-state hospitals

HCCD = hospital charity care dollars

TCCD = total state charity care dollars for public non-state hospitals

In computing the above amounts for public hospitals and hospitals that qualify under Section VI.A.2., above, the Agency shall use the 1997 audited data. In the event there is no complete 1997 audited data for a hospital, the Agency shall use the 1994 audited data.

7. Effective July 1, 2000, the Agency shall use the 1992-1993 DSH formula, the 1994 audited data, and the Medicaid per diem rate as of January 1, 1999 to calculate the Hospital Regular Disproportionate Share program payments under section VI.A. of the Plan.

8. The total of all disproportionate share payments shall not exceed the amount appropriated, or the federal government's upper payment limits. Payments shall comply with the limits set forth in Section 1923(g) of the Social Security Act.

9. Hospitals that qualify for a disproportionate share payment solely under VI.A.1. (a) or (b), above, shall have their payment calculated in accordance with the following formula:

TAA = TA x (1/5.5)

DSHP = (HMD/TSMD) x TAA

Where:

TAA = total amount available. (as found in Appendix B)

TA = total appropriation. (as found in Appendix B)

DSHP = disproportionate share hospital payment.

HMD = hospital Medicaid days.

TSMD = total state Medicaid days.

10. The following formula shall be utilized for hospitals that qualify under VI. A.2, to determine the maximum disproportionate share rate used to increase a qualified hospital's Medicaid per diem rate:

DSR = ((CCD/APD) x 4.5) + (MD/APD)

Where:

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DSR = disproportionate share rate.

CCD = charity care days (as defined in Section X.H.).

APD = adjusted patient days (as defined in Section X.B.)

MD = Medicaid days.

11. For fiscal years 1992-1993, 1993-1994, 1994-1995, 1995-96 and subsequent state fiscal years, the following criteria shall be used in determining the disproportionate share percentage:

a. If the disproportionate share rate is less than 10 percent, the disproportionate share percentage is zero and there is no additional payment.

b. If the disproportionate share rate is greater than or equal to 10 percent, but less than 20 percent, then the disproportionate share percentage is 1.8478498.

c. If the disproportionate share rate is greater than or equal to 20 percent, but less than 30 percent, then the disproportionate share percentage is 3.4145488.

d. If the disproportionate share rate is greater than or equal to 30 percent, but less than 40 percent, then the disproportionate share percentage is 6.3095734.

e. If the disproportionate share rate is greater than or equal to 40 percent, but less than 50 percent, then the disproportionate share percentage is 11.6591440.

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f. If the disproportionate share rate is greater than or equal to 50 percent, but less than 60 percent, then the disproportionate share percentage is 73.5642254.

g. If the disproportionate share rate is greater than or equal to 60 percent, but less than 72.5 percent, then the disproportionate share percentage is 135.9356391.

h. If the disproportionate share rate is greater than or equal to 72.5 percent, then the disproportionate share percentage is 170.00.

12. To calculate the total amount earned by all hospitals under this section, hospitals with a disproportionate share rate less than 50 percent shall divide their Medicaid days by four, and hospitals with a disproportionate share rate greater than or equal to 50 percent and with greater than 40,000 Medicaid days shall multiply their Medicaid days by 1.5, and the following formula shall be used by the agency to calculate the total amount earned by all hospitals under this section:

TAE = BMPD X MD X DSP

Where:

TAE = total amount earned

BMPD = base Medicaid per diem

MD = Medicaid days

DSP = disproportionate share percentage

In no case shall total payments to a hospital under this section, with the exception of state facilities, exceed the total amount of uncompensated charity care of the hospital, as determined by the agency according to the

most recent calendar year audited data available at the beginning of each state fiscal year.

13. In calculating regular disproportionate share payments for state fiscal year 1991-1992 only, for those hospitals with more than 30,000 Medicaid days in their 1988 audited Medicaid cost report, the agency shall add 28 points to the disproportionate share percentage for those hospitals with a disproportionate share rate greater than 60 percent and 5.5 points to the disproportionate share percentage for those hospitals with a disproportionate share rate greater than 50 percent but less than 60 percent.

For fiscal year 1991-1992 only, the following criteria shall be used in determining the disproportionate share percentage:

a. If the disproportionate share rate is less than 10 percent, the disproportionate share percentage is zero and there is no additional payment.

b. If the disproportionate share rate is greater than or equal to 10 percent, but less than 20 percent, then the disproportionate share percentage is 2.1544347.

c. If the disproportionate share rate is greater than or equal to 20 percent, but less than 30 percent, then the disproportionate share percentage is 4.6415888766.

d. If the disproportionate share rate is greater than or equal to 30 percent, but less than 40 percent, then the disproportionate share percentage is 10.0000001388.

e. If the disproportionate share rate is greater than or equal to 40 percent, but less than 50 percent, then the disproportionate share percentage is 21.544347299.

f. If the disproportionate share rate is greater than or equal to 50 percent, but less than 60 percent, then the disproportionate share percentage is 46.41588941.

g. If the disproportionate share rate is greater than or equal to 60 percent, then the disproportionate share percentage is 100.

14. The following formula shall be used to calculate the total amount earned by all hospitals under this subsection:

TAE = BMPD x MD x DSP

Where:

TAE = total amount earned

BMPD = base Medicaid per diem.

MD = Medicaid days.

DSP = disproportionate share percentage.

15. If the total amount earned by all hospitals is not equal to the amount appropriated, and the amount appropriated is greater than $152,143,583, then adjust each hospital's share on a pro rata basis so that the total dollars paid equal the amount appropriated, not to exceed the federal government's upper payment limits. If the total amount appropriated for fiscal year 1993-1994 only, is less than $152,143,583, then calculate each hospital's share at an appropriation level of $152,143,583 and then reduce all hospitals' shares on a pro rata basis to equal the actual amount appropriated.

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16. The total amount calculated to be distributed shall be made in quarterly payments subsequent to each quarter during the fiscal year.

17. Payments to each disproportionate share hospital as determined in Step 13 above shall result in payments of at least the minimum payment adjustment specified in the Act. The Act specifies that the payment adjustment must at a minimum provide either:

    a. An additional payment amount equal to the product of the hospital's Medicaid operating cost payment times the hospital's disproportionate share adjustment percentage in accordance with Section 1886(d)(5)(F)(iv) of the Social Security Act, or

    b. A minimum specified additional payment amount (or increased percentage amount) and for an increase in such payment amount in proportion to the percentage by which the hospital's Medicaid utilization rate exceeds one standard deviation above the mean Medicaid inpatient utilization rate for hospital's receiving Medicaid payments in the state.

18. From the funds made available under the Medicare program, the Medicaid program, and the State Children's Health Insurance Program Benefits Improvement and Protection Act of 2000 for the 2001 federal fiscal year, disproportionate share program funds shall be distributed as follows: $13,937,997 to Jackson Memorial; $285,298 to Mount Sinai Medical Center; $313,748 to Orlando Regional Medical Center; $2,734,019 to University Medical Center –Shands; $1,060,047 to Shands - University of Florida; $1,683,415 to Tampa General Hospital; and $2,231,910 to North Broward Hospital District.

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B. Determination of an outlier adjustment in Medicaid payment amounts for Disproportionate Share Hospitals for medically necessary inpatient hospital services involving exceptionally high costs or exceptionally long lengths of stay for individuals under one year of age. Exceptionally high costs are costs attributable to critically ill and/or extremely small (low birth weight) individuals who receive services in Neonatal Intensive Care Units (NICU) of hospitals that qualify for outlier payment adjustments. Exceptionally long lengths of stay are stays in excess of forty-five days.

1. Disproportionate Share Hospitals that qualify under VI.A., above, for regular disproportionate share hospital payments and meet all of the following requirements shall qualify for an outlier adjustment in payment amounts. For state fiscal year 2002-2003 payments under this Section will be limited to the hospitals that received a payment under this Section in state fiscal year 2001-2002.

   a. Agree to conform to all agency requirements to assure high quality in the provision of service, including criteria adopted by Department of Health rule 10J-7.003, F.A.C., concerning staffing ratios, medical records, standards of care, equipment, space and such other standards and criteria as specified by this rule.

   b. Agree to provide information to the agency, in a form and manner to be prescribed by rule 10J-7.002(7), F.A.C., of the Department of Health, concerning the care provided to all patients in neonatal intensive care centers and high-risk maternity care.

   c. Agree to accept all patients for neonatal intensive care and high-risk maternity care, regardless of ability to pay, on a functional space-available basis.

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d. Agree to develop arrangements with other maternity and neonatal care providers in the hospital's region for the appropriate receipt and transfer of patients in need of specialized maternity and neonatal intensive care services.

e. Agree to establish and provide a developmental evaluation and services program for certain high-risk neonates, as prescribed and defined by rule of the department.

f. Agree to sponsor a program of continuing education in perinatal care for health care professionals within the region of the hospital, as specified by rule.

g. Agree to provide backup and referral services to the department's county public health units and other low income perinatal providers within the hospital's region, including the development of written agreements between these organizations and the hospital.

h. Agree to arrange for transportation for high-risk obstetrical patients and neonates in need of transfer from the community to the hospital or from the hospital to another more appropriate facility.

2. Hospitals that fail to comply with any of the above conditions, or the rules of the department under Chapter 10J-7, F.A.C., shall not receive any payment under this subsection until full compliance is achieved. A hospital that is non-compliant in two or more consecutive quarters, shall not receive its share of the funds. Any forfeited funds shall be distributed by the remaining participating program hospitals.

3. Outlier payment amounts earned by disproportionate share hospitals that meet all of the qualifications in 1.a. through 1.h., above, shall be in addition to each hospital Medicaid per diem rate.